

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of )  
CYPRESS LAKES UTILITIES, INC. )  
for a rate increase in Polk County )  
\_\_\_\_\_ )

DOCKET NO. 020407-WS

**NOTICE OF FILING**

Applicant, CYPRESS LAKES UTILITIES, INC., hereby notices the filing of the Affidavit of Mailing the Combined Initial Customer Notice and Notice of Customer Meeting to the Customers of Cypress Lakes Utilities, Inc.

Respectfully submitted on this  
22nd day of January, 2003, by:

ROSE, SUNDSTROM & BENTLEY, LLP  
600 S. North Lake Boulevard  
Suite 160  
Altamonte Springs, Florida 32701  
(407) 830-6331  
(407) 830-8522 Fax

By:   
\_\_\_\_\_  
MARTIN S. FRIEDMAN

Utilities\Cypress Lakes Rate Case\NOF Aff of Mailing Combined Notice

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

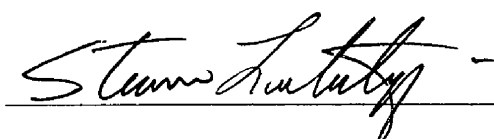
AFFIDAVIT OF MAILING

STATE OF ILLINOIS

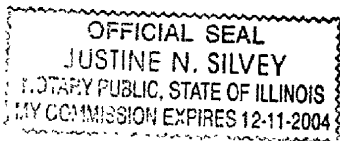
COUNTY OF COOK

Before me, the undersigned authority, authorized to administer oaths and take acknowledgments, personally appeared Steven M. Lubertozzi, who, after being duly sworn on oath, did depose on oath and say that he is the Director, Regulatory Accounting of Utilities, Inc., and that on January 6, 2003, he did cause to be sent by regular U.S. Mail, a copy of the Initial Customer Notice and Notice of Customer Meeting to the Customers of Cypress Lakes Utilities, Inc., attached hereto.

FURTHER AFFIANT SAYETH NAUGHT.

  
\_\_\_\_\_

Sworn to and subscribed before me this 16<sup>th</sup> day of January, 2003, by STEVE LUBERTOZZI, who is personally known to me.



Print Name JUSTINE N. SILVEY  
NOTARY PUBLIC Justine N. Silvey  
My Commission Expires: 12-11-2004

BEFORE THE PUBLIC SERVICE COMMISSION

INITIAL CUSTOMER NOTICE  
AND  
NOTICE OF CUSTOMER MEETING

TO THE CUSTOMERS OF  
CYPRESS LAKES UTILITIES, INC.  
AND  
ALL OTHER INTERESTED PERSONS

RE: DOCKET NO.: 020407-WS

APPLICATION FOR INCREASE IN RATES IN POLK COUNTY  
BY CYPRESS LAKES UTILITIES, INC.

DATED: December 18, 2002

NOTICE is hereby given that the Staff of the Florida Public Service Commission will conduct a customer meeting to discuss Cypress Lakes Utilities, Inc.'s Application for a rate increase. The meeting will be held at the following time and place:

6:00 p.m., January 22, 2003  
City Commissioner's Chamber  
City Hall  
228 South Massachusetts Avenue  
Lakeland, Florida 33801

All persons who wish to comment are urged to be present at the beginning of the meeting, since the meeting may be adjourned early if no customers are present. One or more of the Commissioners of the Florida Public Service Commission may attend and participate in this meeting. The meeting will begin as scheduled and will continue until all of the customers have been heard.

In addition to the customer meeting to be held on January 22, 2003, at 6:00 p.m., the Public Service Commission Staff will be available that afternoon from 3:00 p.m. to 5:00 p.m., to meet with representatives of customer groups, homeowners' associations, and developers who desire a more in-depth discussion of the issues. Appointments may be made for the meeting with Staff by contacting Tiffany Joyce of the Florida Public Service Commission Staff at (850) 413-6877 no later than Monday, January 20, 2003. All representatives who wish to participate in individual meetings are urged to make an appointment, since the individual meetings may be canceled if no appointments are made.

Any person requiring some accommodation at the customer meeting because of a physical impairment should call the Division of Records and Reporting at (850) 413-6770 at least 48 hours prior to the meeting. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at 1-800-955-8771 (TDD).

### **PURPOSE**

The purpose of the meeting(s) is to give customers and other interested persons an opportunity to offer comments to the Public Service Commission staff regarding the quality of service the Utility provides and to ask questions, and comment on the rates included in this Notice as well as other issues. Commission staff will be available to address and coordinate customers' comments and to assist members of the public. A representative from the utility may also be in attendance. At the beginning of the meeting, procedures will be established for the order of comments. The Public Service Commission staff will have sign-up sheets, and customers will be called in the order that they sign up to speak.

### **HOW TO CONTACT THE COMMISSION**

Any person who wishes to comment or provide information to staff may do so at the meetings, either orally or in writing. Other written comments regarding the utility and the proposed rates, or requests to be placed on the mailing list for this case, may be directed to this address:

Director, Division of the Commission Clerk & Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0870

All correspondence should refer to "Docket No. 020407-WS", Cypress Lakes Utilities, Inc. Your letter will be placed in the correspondence file of this docket. You may also submit comments through the Public Service Commission's toll-free facsimile line at 1-800-511-0809. The Commission also has a web-site available at <http://floridapsc.com/consumers/complaint/index.cfm>

If you wish to contact the Commission regarding complaints about service, you may call the Commission's Division of Consumer Affairs at the following toll-free number 1-800-342-3552.

### **BACKGROUND**

Cypress Lakes Utilities, Inc. is a water and wastewater utility located in Polk County. As reported in its MFRs, the Utility's revenues per books are \$110,204 for the water system, with operating expenses per books of \$125,500, resulting in a net operating loss of \$15,296 for the water system, per books, before adjustments, and revenues per books of \$229,432 for the wastewater system, with operating expenses per books of \$227,927, resulting in a net profit of \$1,505 for the

wastewater system per books, before adjustments. The rate increase application has been filed by Cypress Lakes Utilities, Inc., because of inadequate earnings.

Copies of the MFRs filed by the Company can be reviewed at the Lakeland Public Library located at 100 Lake Morton Road, Lakeland, Florida 33801 during the following hours: Monday through Thursday from 9 am to 9 pm; Friday and Saturday from 9 am to 5 pm; and Sundays from 1:30 pm to 5 pm. A "A Rate Case Synopsis" is also available, along with the MFRs.

The test period for setting rates is the historical average twelve-month period ended December 31, 2001.

**CURRENT AND PROPOSED RATES AND CHARGES**

The current and proposed rates and charges follow. These rates are subject to change based on information gathered at the customer meeting, further Staff review, and the final decision by the Commissioners.

**WATER SYSTEM**

**Residential Service**

| <b><u>Class/Meter Size</u></b>         | <b><u>Present Rates</u></b> | <b><u>Proposed Interim Rates</u></b> | <b><u>Proposed Final Rates</u></b> |
|--|-----------------------------|--------------------------------------|------------------------------------|
| All Meter Sizes                        | \$3.82                      | \$9.05                               | \$9.19                             |
| Gallonge Charge<br>(per 1,000 gallons) |                             |                                      |                                    |
| 0-6,000                                | \$0.82                      | \$1.94                               | \$1.97                             |
| 6,001-12,000                           | \$1.23                      | \$2.91                               | \$2.96                             |
| Over 12,000                            | \$1.64                      | \$3.89                               | \$3.94                             |

**Multi-Residential Service**

| <b><u>Class/Meter Size</u></b>         | <b><u>Present Rates</u></b> | <b><u>Proposed Interim Rates</u></b> | <b><u>Proposed Final Rates</u></b> |
|--|-----------------------------|--------------------------------------|------------------------------------|
| All Meter Sizes                        | \$3.82                      | \$9.05                               | \$9.19                             |
| Gallonge Charge<br>(per 1,000 gallons) |                             |                                      |                                    |
| 0-6,000                                | \$0.82                      | \$1.94                               | \$1.97                             |
| 6,001-12,000                           | \$1.23                      | \$2.91                               | \$2.96                             |
| Over 12,000                            | \$1.64                      | \$3.89                               | \$3.94                             |

**General Service**

| <b><u>Class/Meter Size</u></b>        | <b><u>Present Rates</u></b> | <b><u>Proposed Interim Rates</u></b> | <b><u>Proposed Final Rates</u></b> |
|---------------------------------------|-----------------------------|--------------------------------------|------------------------------------|
| 5/8" x 3/4"                           | \$3.82                      | \$9.05                               | \$9.19                             |
| 1"                                    | \$9.55                      | \$22.63                              | \$22.98                            |
| 1 1/2"                                | \$19.10                     | \$45.25                              | \$45.95                            |
| 2"                                    | \$30.56                     | \$72.41                              | \$73.52                            |
| 3"                                    | \$57.30                     | \$135.76                             | \$137.85                           |
| 4"                                    | \$95.50                     | \$226.26                             | \$229.75                           |
| 6"                                    | \$191.00                    | \$452.54                             | \$459.50                           |
| Gallage Charge<br>(per 1,000 gallons) | \$0.82                      | \$1.94                               | \$1.97                             |

**WASTEWATER SYSTEM**

**Residential Service**

| <b><u>Class/Meter Size</u></b>                                  | <b><u>Present Rates</u></b> | <b><u>Proposed Interim Rates</u></b> | <b><u>Proposed Final Rates</u></b> |
|---|-----------------------------|--------------------------------------|------------------------------------|
| All Meter Sizes   | \$9.52                      | \$14.49                              | \$14.65                            |
| Gallage Charge<br>(per 1,000 gallons -<br>8,000 gallon maximum) | \$2.02                      | \$3.07                               | \$3.11                             |

**Multi-Residential Service**

| <b><u>Class/Meter Size</u></b>                                  | <b><u>Present Rates</u></b> | <b><u>Proposed Interim Rates</u></b> | <b><u>Proposed Final Rates</u></b> |
|---|-----------------------------|--------------------------------------|------------------------------------|
| All Meter Sizes   | \$9.52                      | \$14.49                              | \$14.65                            |
| Gallage Charge<br>(per 1,000 gallons -<br>8,000 gallon maximum) | \$2.02                      | \$3.07                               | \$3.11                             |

**General Service**

| <b><u>Class/Meter Size</u></b>        | <b><u>Present Rates</u></b> | <b><u>Proposed Interim Rates</u></b> | <b><u>Proposed Final Rates</u></b> |
|---------------------------------------|-----------------------------|--------------------------------------|------------------------------------|
| 5/8" x 3/4"                           | \$9.52                      | \$14.49                              | \$14.65                            |
| 1"                                    | \$23.81                     | \$36.24                              | \$36.63                            |
| 1 1/2"                                | \$47.62                     | \$72.49                              | \$73.25                            |
| 2"                                    | \$76.19                     | \$115.96                             | \$117.20                           |
| 3"                                    | \$142.85                    | \$217.42                             | \$219.75                           |
| 4"                                    | \$238.09                    | \$362.38                             | \$366.25                           |
| 6"                                    | \$476.17                    | \$724.75                             | \$732.50                           |
| Gallage Charge<br>(per 1,000 gallons) | \$2.02                      | \$3.07                               | \$3.11                             |

**SERVICE AVAILABILITY CHARGES**

The company is not requesting any changes to its service availability charges or its miscellaneous service charges. Even though not requested to do so, the Commission may review and adjust service availability charges.

**PROCEDURES AFTER CUSTOMER MEETINGS**

In addition to the customer meeting notice described above, other important dates in the rate application are as follows:

| <b><u>Schedule Item</u></b>                              | <b><u>Due Dates</u></b> |
|--|-------------------------|
| Staff Recommendation on Interim Rates                    | January 9, 2003         |
| Agenda Conference on Interim Rates                       | January 21, 2003        |
| Order on Interim Rates                                   | February 10, 2003       |
| Staff's Proposed Agency Action ("PAA")<br>Recommendation | April 3, 2003           |
| Agenda Conference on PAA Rates                           | April 15, 2003          |
| PAA Order Issued   | May 5, 2003             |
| Protest Period Expires                                   | May 27, 2003            |

This notice was prepared by the Company and Commission staff for distribution by the Utility to its customers.